



CMFO News

Certified Municipal Finance Officer

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“WHAT’S IT ALL ABOUT?”



By “it” I mean, the work we do as CMFOs. Maybe I can best describe what your work is all about by describ-

ing something it’s **not** about.

Your work is not about never making a mistake. Your work is not about getting no audit findings. Your work is not about making everyone happy. Your work is not about doing things the way they have always been done. Your work is not about doing something just because someone tells you to do it.

The Comptroller’s Office has core values that we try to keep in focus as we do our work. Our core values are Honesty and Integrity, Accuracy and Reliability, and Accountability. Another way to sum up these core values is to say we strive to be **Ethical**. That’s what our work is all about and **that’s what your work as a CMFO should be about!**

Why am I addressing the subject of ethics, and why now? I am addressing the subject of ethics because it is central to

everything we do and because it is unlikely that anyone else will discuss this with you. In my experience, **Ethics** is not a topic of office discussions. Try to remember the last time someone said in a meeting, “Let’s discuss the importance of ethics in our office.” I am also addressing this subject because I continue to see so much fraud in local governments. It is probable that each of you can tell a story about a fraud in your government. **Ethics** and **Fraud** are not compatible.

What does “ethics” mean? Is ethics the same as morals? And how does one become an ethical CMFO? Ethics means we do the right thing even when no one is watching and whether anyone will know.

*What does “ethics” mean?
Is ethics the same as morals?*

We readily recognize ethical breaches in other professions and situations – cheating on a test, using performance enhancing drugs in a sport, creating fake lab results to back up research in a scientific study, or selling a product that is defective. But consider the similarities between cheating on a test, fake lab results, and defective products to the following examples.

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Each time you sign your initials or name on paperwork, such as a check, you are saying that you really did do the work that proves the check is a valid document. That may mean verifying that internal controls were followed by attaching back-up information such as a purchase order.

You sign your name or initials hundreds of times during a given year. On checks, contracts, grants, timecards, purchase orders, minutes to meetings, credit card authorizations, tax documents, court filings, receipts, and much more. You sign your name or initials as documentation of the work performed and to indicate responsibility. Your signature is your word. If you sign your initials to work you haven't performed or work you know is not right, is that the same as telling a lie?

Some of you may be ethical because of your personal core values – morals. Moral values are based on a belief system. That belief may be a faith in God, it may be faith in what your family taught, or it may be a faith in something you have learned to be the best way to live. Our moral values define who we are and what we will stand up for regardless of the situation, but moral values may or may not relate to workplace ethics. Acting ethically is often very simple to comprehend, but difficult to apply. Consider the following examples:

- What if you record overtime on your timecard because that's what your supervisor told you to do even though you did not work overtime. Is that ethical or is that stealing? Is your supervisor acting ethically if he or she tells you to add the time you did not work? The simple answer is no.
- Following bid laws. Bid laws are neither moral or immoral. However, if a CMFO does not follow bid laws, he or she is not acting ethically with regard to that purchase. Following the law is an important aspect of workplace ethics.
- What if you are told to hide an expenditure in an inappropriate budget line item so as not to overrun the budget. Is this ethical? I hope your answer is no. The correct action is to amend the budget or code the expenditure to the correct line item.
- An elderly person can't pay their utility bill. So, without approval you simply make an adjustment to write-off the account balance. This may be kind hearted, but is it ethical?

The following rationalizations do not provide an ethical framework for making decisions, but these types of rationalizations can easily slip into our thinking patterns unless we are very intentional to avoid them:

- Everyone does it
- It has always been done that way
- We won't get caught
- It really doesn't hurt anyone
- The system is unfair
- It's a gray area
- I was just doing what I was told
- I can't get done without cutting corners

***Our moral values
define who we are and
what we will stand up
for regardless of the
situation***

As a CMFO you are faced with dozens of ethical decisions each day. Honesty and Integrity, Accuracy and Reliability, and Accountability are core values that should directly relate to your workplace ethics and provide the foundation for another important aspect of your jobs - your jobs directly relate to the **public trust**. **This is what your job as a CMFO is all about.** I encourage you to be true to yourself, and to be true to the laws, internal controls, and policies and procedures that your government has implemented. □

Jerry E. Durham

Happy *Retirement*



Iris Haby

Contract Review Specialist

Iris Haby will be retiring at the end of October after 33 years of service with the Tennessee State Comptroller's Office.

Iris was instrumental in the implementation of the Certified Municipal Finance Office Act (CMFOA) program and has contributed to the program tremendously through the years. Following are some highlights of her many contributions to the program.

1. Helped develop the teaching materials for the CMFO certification educational program at MTAS.
2. Helped with the design and implementation of the web application of the CMFOA System on the Comptroller's website to track application, certification, and CPE compliance.
3. Contributed to the design and implementation of the web application of the Contract and Report System (CARS) to track municipality information for annual CMFOA compliance reporting.
4. Helped to develop CMFOA policies and procedures.
5. Provided assistance to training providers in meeting requirements and classifying CPE.
6. Helped develop program forms and letters of communication.
7. Provided assistance and guidance to CMFOs and city officials to help ensure compliance with CMFOA.

Additionally, as a member of the Contract Audit Review team, Iris has reviewed thousands of audited financial reports and working papers of CPA firms. She has been responsible for the annual update of the *Tennessee Audit Manual* and a variety of research projects and special tasks. She has provided technical support to CPA firms, local governments, and other entities regarding auditing and accounting standards, laws and regulations (including CMFOA), CARS system use and more. In 2015, Iris developed the *Internal Control and Compliance Manual for Governmental Entities and Other Audited Entities in Tennessee*. Iris is a passionate, responsible and intelligent person who, over her entire career with the Comptroller's Office, has given all towards the goal of making government work better. Her institutional knowledge and special skills have been integral to our office.

We are thankful for the difference Iris has made to the Comptroller's Office and to the CMFOA program. We wish Iris the best as she embarks on the exciting journey into retirement. □

Welcome to the Team

Mark Fawver

Contract Review Specialist



We are excited to welcome Mark Fawver to our team. Mark has spent ten years with Local Government Audit, and he has been with the Contract Audit Review team since March 2016.

Beginning November 1, Mark will take on more responsibilities related to the CMFOA program. Mark will be an asset to our team and we look forward to working with him. Please join us in welcoming Mark Fawver to the CMFO team. Mark can be reached at Mark.Fawver@cot.tn.gov or 615-747-8851. □



Upcoming Training Classes/Conferences

CPE Provider Training Opportunities

(The following list is not a preapproval or endorsement of the provider organizations, and neither do we provide any assurance regarding classes offered by the organizations.)

ACFE (Association of Certified Fraud Examiners)
<http://www.acfe.com/>

ACPEN (Accounting CPE Network)
<http://www.acpen.com/>

AGA (Association of Government Accountants) (CGFM)
<http://www.agacgfm.org/>

AICPA (American Institute of Certified Public Accountants)
CPEExpress
<https://www.aicpa.org/cpeandconferences/cpeselfstudy.html>

Checkpoint Learning CPEasy
<http://www.cpeasy.com/>

Continuing Academics CPETutor
<http://www.cafacpe.com/default.aspx>

GFOA (Government Finance Officers Association)
http://www.gfoa.org/index.php?option=com_content&task=view&id=28&Itemid=49

Local Government Corporation
<https://www.localgovernmentcorporation.com/drupal7/>

MTAS
<http://www.mtas.tennessee.edu/training-calendar-0>

NASACT (National Association of State Auditors, Comptrollers, & Treasurers)
<http://nasact.org/>

TGA (Tennessee Gas Association)
<http://www.tngas.org/>

TCMA (Tennessee City Management Association)
<http://www.tncma.org/>

TGFOA (Tennessee Government Finance Officers Association)
<http://www.tngfoa.org>

TSCPA (Tennessee Society of Certified Public Accountants)
<http://www.tscpa.com>

TVPPA (Tennessee Valley Public Power Association, Inc.)
<http://www.tvppa.com/>

Tyler Technologies
<http://www.tylertech.com/>

Western CPE
<http://www.westerncpe.com/>



Registration is now open

For more information concerning this event,
please visit <http://tngfoa.org/events/>.

PENALTY NOTICE

Penalty hours will be assessed to individuals who did not complete the required 24 hours of Continuing Professional Education (CPE) for 2017. A letter was sent to these individuals indicating the number of additional penalty hours they incurred for 2018. The deadline for both penalty and the required 24 CPE hours is December 31, 2018. Failure to complete these hours may cause the city to be in noncompliance. As a result, your status will change from 1) penalty, 2) delinquent, or 3) expired. □



SPOTLIGHT ON GOING INACTIVE

To change your status to inactive, your current CMFOA status must be active and your CPE status is none or current, please notify us in writing and we will send you a form to fill out and return to us. To obtain a copy of the form, please email Yanna Utley at Yanna.Utley@cot.tn.gov.

You will not be able to change your status, if your status is anything other than what is stated above. Please see the policy and procedure manual, page 26 section E1 at <https://www.comptroller.tn.gov/RA Upload/CFMOPoliciesandProcedures.pdf>. □



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